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Our File No. 166320

November 3, 2016

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attention: Kirsten Walli
Board Secretary

Dear Ms. Walli:

Re: EB-2016-0215: Enbridge Gas Distribution Inc., 2017 Rate Adjustment Application - BOMA's Interrogatories

Please find enclosed herewith BOMA's Interrogatories.

Yours truly,

FOGLER, RUBINOFF LLP

Thomas Brett
TB/dd
Encls.
cc: All Parties *(via email)*

EB-2016-0215

ONTARIO ENERGY BOARD

Enbridge Gas Distribution Inc.

Application for natural gas distribution, transmission and storage rates commencing January 1, 2017

Interrogatories of Building Owners and Managers Association, Greater Toronto ("BOMA")

November 3, 2016

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Counsel for BOMA

<u>Interrogatories of BOMA</u>

1. ***Ref: Exhibit A1, Tab 2, Schedule 1, Page 3***

   Please explain why the cap and trade rates need to be introduced as part of the January 1, 2017 QRAM.

2. ***Ref: General***

   Please confirm that the Board's recently adjusted ROE will be used in determining 2017 rates.

3. ***Ref: Application, Page 1***

   Please explain the 2017 "Placeholder" concept. Please illustrate with reference to the EB-2012-0459 Decision. See also IR #23.

4. ***Ref: Exhibit B1, Tab 1, Schedule 3***

   Why is such a large volume/value of gas in storage in forecast for April 2012?

5. ***Ref: Exhibit C1, Tab 2, Schedule 1, Page 5***

   What is the actual number of contract customers unlocked as of September 30, 2016?

6. ***Ref: Ibid***

   Why did the migration from bundled to unbundled (Rate 125, Rate 300 Firm) occur?

7. ***Ref: Ibid, Page 10***

Please compare paragraph 23 statement that 2017 will have higher average use per customer in rate 1 with figure 2 on page 8, which shows lower average use per customer.

8. ***Ref: Exhibit C1, Tab 2, Appendix A***

Please add a column to the table showing the actual (un-normalized) average use for rates 1 and 6.

9. ***Ref: Exhibit C2, Tab 1, Schedule 1***

What is the Q2 Economic Outlook based on? What sources are used to determine these forecasts? Please compare them to the most recent Bank of Canada numbers (October 2016 Monetary Policy Report).

10. ***Ref: Exhibit C2, Tab 1, Schedule 3, Page 7***

Why are the rate 6 percentage variations between actual and forecast larger (in both directions) than those of rate 1?

11. ***Ref: Ibid, Page 20***

Why do you use real gas prices rather than the nominal gas prices? Would consumers not focus more on nominal gas price increases?

12. ***Ref: Exhibit C2, Tab 1, Schedule 4***

Please provide actual 3Q customer additions per Table 1.

13. ***Ref: Exhibit D1, Tab 2, Schedule 2, Page 8***

Why is no attempt made to forecast migration between Direct Purchase and Sales service?

14. ***Ref: Ibid, Page 15***

How often does EGD use "approved suppliers"?

15. ***Ref: Ibid, Page 17***

(a) How much Michigan storage does EGD hold, with what company(ies)?

(b) Please explain how that gas is transported to the EGD service area, or to Tecumseh storage from the Michigan sites.

(c) Has EGD utilized, transported to the franchise, any of the Michigan gas?

(d) Is the availability of the gas in storage in Michigan "equally available" as gas stored at Union or Tecumseh, or are there deliverability or transportation constraints? Please compare "deliverability ratios" in Michigan storage to Tecumseh and Union ratios.

(e) In general, are the market prices charged by Michigan storage providers higher or lower than those charged by Union Gas? Do they include transport to Dawn/Tecumseh, or must transport be acquired separately?

16. ***Ref: Ibid, Page 21***

In what circumstances is Firm Transportation Short Notice used? For how many years has EGD been contracting for the service, and in what amounts?

17. ***Ref: Ibid, Page 23***

Please provide a copy of the RFP and template contract used to acquire storage from third parties at market based prices?

18. ***Ref: Exhibit D1, Tab 2, Schedule 3, Page 3***

Why the difference in contracted daily volume between the Forecast Peak Day Supply Mix and the Status of Transportation Contracts documents?

19. ***Ref: Exhibit D1, Tab 2, Schedule 5, Page 1; Exhibit D1, Tab 2, Schedule 8, Page 2***

Summary of Gas Costs to Operations shows Dawn Supplies at 2,229,769.2. Gas Supply/Demand Balance shows Delivered Supplies of the same amount.

Please confirm or explain, in detail:

(a) All EGD's "delivered supplies" are delivered at Dawn.

(b) Please provide the total deliveries to EGD using the Dawn-Parkway Facilities, either by Union or by TCPL. Since Dawn is not a supply basin, what is the source(s) of the "Dawn Supplies" or "Delivered Supplies".

(c) Please confirm that the Chicago supplies and the Nexus supplies, while they flow through Dawn, are not part of the Delivered Supplies (Dawn Supplies) on these two tables. They are rather additive to whatever supplies are included in the term "Delivered Supplies". Please explain fully.

(d) Please provide the total amount (absolute and percentage of total gas supply) of EGD's forecast 2017 gas supply sales and bundled service, that will flow through Union's Dawn-Parkway facilities.

20. ***Ref: Exhibit D1, Tab 2, Schedule 9***

(a) Which of the contracts listed from A to I are with Union Gas, and which are provided by other suppliers, either Canadian or American?

(b) Please provide the names of each of the storage providers, other than Union Gas.

(c) Which supplies, and how much of the 24.5 PJs volume is supplied by storage sources in Michigan?

(d) What is the forecast average 2017 market price for storage from all nine contracts; what is the breakdown by month.

(e) Please provide details of any constraints on the use of Michigan based storage at any time during the year.

21. ***Ref: Exhibit D2, Tab 1, Schedule 1, Paragraph 99***

(a) Has EGD decided to issue an RFP for customer care services, or is it still considering a further renewal of the Accenture agreement?

(b) Why would EGD not elect to engage in a competitive process at this time?

(c) Please provide EGD's business case for going to market versus remaining with Accenture at this time.

22. ***Ref: Exhibit E1, Tab 3, Schedule 1, Pages 2-3***

(a) What was the term of the $300 million debt issued in August 2016?

(b) Please confirm that the lower actual cost of that 2016 debt issuance of 3.42% compared to forecast 4.47% (approximately $3 million) has increased EGD's 2016 earnings by that amount, and such increase is subject to earnings sharing. If treatment is different, please explain fully.

(c) What has been the change in the coupon rates on (i) ten year; (ii) thirty year; Canadian corporate high rated bonds (with ratings equivalent to that for EGD), if any, since August 2016 to today? What is the market's current forecast for these prices as of August 2017?

23. ***Exhibit F1, Tab 2, Schedule 1, Page 1***

(a) Please provide a step-by-step explanation, starting with the 2017 Placeholder from the EB-2012-0459 decision of how the 2017 revenue requirement is established.

(b) Please note for each item in the Placeholder, the amount of the Placeholder, the amount by which it is proposed to be adjusted, what the adjustment factor or formula is, and which items, such as depreciation, are not adjusted. Please provide reference to the applicable evidence to where each adjustment calculation is displayed.

(c) Please explain how revenue at existing rates is calculated. Please refer to where in the evidence the calculation is found, and show the revenue at existing rates. I assume they are the 2016 rates, combined with the 2017 volumes, but what are the other components of the calculation? Please explain how the 2016 revenue requirement and rates are utilized, if at all, other than described in this section (c), in the determination of the 2017 revenue requirements and rates.